

The
Crow's Nest
Pass Coal
Company
Limited



Twenty-fifth
Annual Report
1921



The Crow's Nest Pass Coal Company Limited

Capital Stock (Authorized)	\$10,000,000.00
Capital Stock (Subscribed)	6,212,666.66
Capital Stock (Paid Up)	6,212,666.66

Company's Head Office
Fernie, B.C.

Stock Transfer Office
Toronto General Trusts Corporation
83 Bay Street, Toronto

Registrar
National Trust Company, Limited, Toronto

BOARD OF DIRECTORS FOR 1922

PRESIDENT

W. R. Wilson

General Manager, The Crow's Nest Pass Coal Company, Ltd.

FIRST VICE PRESIDENT

H. B. McGiverin

Messrs. McGiverin, Haydon & Ebbs, Barristers, Ottawa.

SECOND VICE PRESIDENT

W. H. Robinson

Vice President, Granby Consolidated Mining, Smelting & Power Company, Granby, P. Q.

DIRECTORS

Dr. G. W. Howland

Toronto.

Ellis P. Earle

President, Nipissing Mines Co. and Georgia Peruvian Ochre Co.

Director, Chatham and Phoenix National Bank, N.Y. and

Vice President, Granby Consolidated M. S. & P. Co.,

New York, N. Y.

A. H. MacNeill, K. C.

Vancouver, B. C.

James T. Maher

Right-of-Way, Land and Tax Commissioner,
Great Northern Railway Company, St. Paul, Minn.

James F. Edgar

Barrister, Toronto.

L. C. Gilman

Barrister, Seattle.

OFFICERS

Treasurer.....	A. A. Klauer.
Comptroller.....	Geo. H. Hess, Jr.
Secretary.....	J. S. Irvine.
Assistant Secretary.....	Miss L. M. Kelley.
Auditors.....	Messrs. Welch, Campbell & Lawless, Chartered Accountants.

PROCEEDINGS

OF THE

TWENTY-FIFTH ANNUAL MEETING OF THE SHAREHOLDERS

On the 9th day of June, 1922, the Annual General Meeting of the Shareholders of the Company was held, pursuant to Notice, at the Head Office of the Company, Fernie, B.C., at 2.30 p.m.

The following Shareholders were present, representing 76% of the Stock:—

In Person and By Proxy—

J. F. Edgar	A. Klauer
L. C. Gilman	A. H. MacNeill
Dr. G. W. Howland	J. T. Maher
L. M. Kelley	W. R. Wilson
John Adam & Son	Annie Manson
Herbert R. Alley	Frederick Richard Martin
A. H. Beaton	Mary F. Mason
Rachel Hill Boeckmann	Frank E. Maulson
E. S. Brown	D. Campbell Meyers
Campbell, Thompson & Co.	H. B. McGiverin
A. R. Capreol	W. F. McLaren
Estate of Sir R. J. Cartwright	E. T. Nichols
Albert E. Corbould	J. H. Oliphant & Co.
Jessie Chipman	A. E. Osler & Co.
E. P. Clarkson	John Wm. Palmer
Eliza A. Clinch	W. G. Payne
Gordon E. Corbould	Kate M. Perrin
Joseph T. Crabbs	L. Purdon
D. P. Curry	William T. Rasmus
Ruby T. Edgar	D. C. Rea, Manager in Trust,
E. P. Earle	and
Catherine O. Elwell	B. M. Green, Ass't Manager in
K. Beatrice Evans	Trust
Farmers' Loan & Trust Co.	W. H. Robinson
Elizabeth Follingsby	Martha Rogers
Amy I. Gardiner	Alfred Rogers
Henry J. Gardiner	R. R. Simpson

Gertrude Hill Gavin	Charlotte Hill Slade
Emily H. Gemmill	J. P. Steedman
W. H. Goadby	Henry Swan
Geo. Wm. Godman	Nicholas Terhune
Temple Godman	Toronto General Trusts Corporation, Executors Estate of James Nimmo
Lillie E. Gouinlock	Toronto General Trusts Corporation, Executors Estate of Sarah Jaffray
James Gouinlock	Toronto General Trusts Corporation, Executors Estate of J. K. Osborne
Granby Consolidated Mining, Smelting & Power Co.	Toronto General Trusts Corporation, Executors Estate of Lady Helen G. Clark
Wm. Hanson	Toronto General Trusts Corporation, Executors Estate of Ralph K. Burgess
Hanson Bros.	J. H. Turner
Harris L. Hees	B. S. Vanstone
Josiah Hemans	Ida May Vanstone
Marjorie O. Hicks	Selena J. Vanstone
Edith S. Hill	Thos. H. Whitehouse
Mary Hill Hill	Henry Winnett
James N. Hill	H. G. Wynes
C. Plummer Hill	Herman Young
B. Hochschild	
R. L. Innes	
P. Howard Jones	
E. C. Kelley	
Elizabeth Kirvan	
Ellen Laughery	
Margaret Laurie	
Estate of P. B. Leman	
Estate of G. G. S. Lindsey	

On motion, Mr. Wilson was requested to take the Chair, and Miss Kelley to act as Secretary.

The Secretary read the Notice calling the meeting for the 9th day of June, 1922, at 2:30 p.m.

On motion of Mr. Maher, seconded by Mr. Edgar, the Minutes of the last Annual Meeting, held on the 10th day of June, 1921, were taken as read.

On motion of Mr. Maher, seconded by Mr. MacNeill, the Twenty-fifth Annual Report of the Directors, and the accompanying Financial Statement, were taken as read.

DIRECTORS' REPORT FOR THE YEAR 1921.

To The Shareholders:—

Your Directors herewith present their Twenty-fifth Annual Report, showing Statement of the Assets and Liabilities of the Company as at 31st December, 1921, together with the Profit and Loss Account for the year ending on that date.

The Balance at the Credit of the Profit and Loss Account brought forward from 1920 was \$124,476.53. To this has been added the sum of \$341,938.98, being the Company's Net Profits from all sources of the operations for the year 1921, (after paying the Dominion Income Tax for the year 1920, and making provision for the Dominion Income Tax for the year 1921, amounting together to \$89-363.09) making a total of \$466,415.51. From this amount your Directors have paid four dividends of One and a half per cent. each, making a total of six per cent. for the year, and amounting in all to \$372,690.00, leaving a balance at credit of Profit and Loss Account to be carried forward to 1922 of \$93,725.51.

The Operative Profits of the Subsidiary Companies—the Crow's Nest Pass Electric Light & Power Company, Limited, for the year were \$5,008.75, and the Morrissey, Fernie & Michel Railway Company, \$18,245.07, and in each case the amount has been carried to Reserve for Depreciation.

During the year the Coal Company spent \$105,418.16 on Improvements and Development work, and the Crow's Nest Pass Electric Light & Power Company, \$3,582.68.

The coal mined during the year amounted to 774,847 tons as against 779,942 tons mined in 1920, and the coke produced was 66,569 tons as against 75,928 tons in 1920. The decrease in tonnage is owing to depression in trade.

All of which is respectfully submitted.

W. R. WILSON.

President.

Fernie, B. C., June 9th, 1922.

BALANCE SHEET, DECEMBER 31st, 1921

Assets

Cash on hand and in Banks	\$ 521,152.61	
Accounts Receivable	304,912.46	
Inventories—		
Coal, Coke, Stores, etc.,	294,691.33	
		<u>\$1,120,756.40</u>
Securities and Shares Owned		1,212,140.70
Unexpired Insurance		6,951.67
Mines, Real Estate, Plant and		
Equipment	6,516,466.33	
Less: Reserves for Depletion		
and Depreciation	2,163,005.72	
		<u>4,353,460.61</u>
		<u>6,693,309.38</u>

Liabilities

Accounts Payable	\$ 196,686.91	
Provision for 1921 Federal In-		
come Taxes	43,704.53	
Contingent Liability and Insur-		
ance Reserves	146,525.77	
		<u>386,917.21</u>
		<u>\$6,306,392.17</u>
Capital Stock—Paid Up	6,212,666.66	
Profit & Loss Account	93,725.51	
		<u>\$6,306,392.17</u>

A. A. Klauer,
Treasurer.

Fernie, B.C., June 9th. 1922.

PROFIT & LOSS ACCOUNT

Year Ended December 31st, 1921.

Balance at Credit January 1st 1921	\$124,476.53
Add: Adjustment of 1920 Liability Insurance	\$ 19,542.18
Bad Debts written off in 1920 recovered.....	613.19
	<hr/> 20,155.37
	<hr/> 144,631.90
Less: Federal Income Tax 1920 paid in 1921	45,658.56
	<hr/> 98,973.34
Profit: Lands, Timber Operations and other Sources	22,690.99
Coal and Coke Operations	388,455.71
	<hr/> 411,146.70
	<hr/> 510,120.04
Less: Provision for Federal Income Tax 1921	43,704.53
	<hr/> 466,415.51
Dividend No. 49 paid March 1st	93,172.50
" " 50 " June 1st	93,172.50
" " 51 " September 1st ..	93,172.50
" " 52 " December 1st ..	93,172.50
	<hr/> 372,690.00
Balance at Credit December 31st 1921	<hr/> <u>\$93,725.51</u>

A. A. Klauer,
Treasurer.

Fernie, B.C., June 9th. 1922.

AUDITORS' REPORT AND CERTIFICATE

**To the Shareholders of
The Crow's Nest Pass Coal Company, Limited.**

Gentlemen:-

We Certify that we have audited the books and accounts of your Company for the year ended December 31st, 1921, and that the appended Balance Sheet is, in our opinion, so drawn as to exhibit a true and correct view of the Company's position as at that date and as shown by the books.

We further certify that all our requirements as Auditors have been fully complied with.

Respectfully submitted,

Welch, Campbell & Lawless,
Toronto, March 13th, 1922 Chartered Accountants.

THE PRESIDENT'S ADDRESS

In moving the adoption of the Report, Mr. W. R. Wilson, President of the Company, said:

In referring to the operation of 1921, I may for the purpose of interest and comparison at this time recite the productive figures for 1920 in their correlation to the corresponding productive figures for 1920, which are submitted as follows:—

	Tons	Days Mines Worked
1920 Coal Production in Net Tons	779,942.06	283
1921 Coal Production in Net Tons	774,846.19	213
Difference in production and Days worked	5,095.07	70

Coke Production—

1920 Ovens at Michel produced	75,927.12	303
1921 Ovens at Michel produced	66,569.03	251

The Fernie Coke Ovens were not operated during either 1920 or 1921 years.

The reduced production in both Coal and Coke during 1921 was due to the general business depression that more or less prevailed during the year over the markets available to the mines.

In correlation to the above production the following classifications, and amounts of development work have been done during the year of 1921:—

Coal Creek Mines, narrow work driven..	27,870 Lineal Feet
Michel Mines, development	18,827 Lineal Feet

Total feet of Coal development driven..46,697

The above development work fully raises the productive capacity of the Mines up to 1,400,000 on steady operations.

During the year we have done the following amount of Diamond Drill work at the two Collieries:—

Feet

At Coal Creek:

From the roof lines of "B" Mine a drill hole was bored up to a distance of 316 feet above "B" Seam without encountering any new workable seam between "B" and "C" Seams. Total drilling "B" Mine....316

In No. 1 North Mine, North of Cross fault two holes were drilled, one upwards for 109 feet, and one downwards for 250 feet. The raise hole did not intercept any coal, but the hole drilled downwards encountered a small vein of coal 1 foot thick at 193 feet below No. 1 Seam, which is known as the small under vein above No. 2 Coal Bed. Total drilling done in No. 1 North Mine359

In No. 1 East Mine, a Diamond bore was drilled upwards to a height of 219 feet. The hole went through a seam of coal at 56 feet above No. 1 East bed. This bed of coal is a rich high grade, but only runs about 3 feet thick, at a height of 192 feet above No. 1 East coal bed "B" Seam of coal, which at the point of the Bore hole is 7 feet thick. Total Diamond Drilling No. 1 East Mine, all done above No. 1 East Seam....219

Diamond Drill work done below No. 1 East Coal bed: Hole starting in region of No. 1 South Mine and drilling down below No. 1 South and No. 1 East Coal bed for a total distance of 670 feet, cut through the following new beds of coal—

	Ft	Ft. of Seam
No. 2 Seam below No. 1 Seam	101	6½
Below No. 1 Seam, No. 3 Seam reached	115	9
Below No. 1 Seam, No. 4 Seam was reached	168	12½
Below No. 1 Seam, No. X Seam was reached	283.5	1 only
Below No. 1 Seam, No. Xa Seam was reached	297	1 only
Below No. 1 Seam, No. 5 Seam was reached	329	6
Below No. 1 Seam, No. 6 Seam was struck	392	2 only

	Ft	Ft. of Seam	Feet
Below No. 1 Seam, No. 7 Coal Bed encountered	432	3	only
Below No. 1 Seam, New 8 or Old No. 5	688	11	
Below No. 1 Seam, New 9 or Old No. 4	806	19	
Below No. 1 Seam, No. 10 Seam	919	46	
	960	4	
Total depth of Drilling below No. 1 East Seam			1138

No coal encountered in drill hole below No. 11 Seam

Total Diamond Drill work done at Coal Creek
amounted to 2032

Diamond Drill work done at Michel explained as follows—

Hole starting downwards No. 8 North Pit Mouth encountered the following Beds of Coal below No. 8 North Coal Bed—

At 124	Ft below No. 8 North struck coal bed	13	ft. thick
" 184	" " " " " "	9	" "
" 244.5	" " " " " "	10½	" "
" 265.5	" " " " " "	1½	" "
" 295.5	" " " " " "	6½	" "
" 418	" " " " " "	3	" "
" 547	" " " " " "	3	" "
" 645	" " " " " "	38	" "
Total depth of Hole			690 Feet
(The above hole was drilled vertically)			

From the roof of top No. 3 Seam, Michel, a Diamond Drill Hole was raised 405 feet, encountering the following intermediate beds of coal—

At 64½	Feet above No. 3 Seam bed of coal	6½	ft. thick
" 84	" " " " " "	5	" "
" 269.5	" " " " " "	23½	" "
" 396.5	" " " " " "	8½	" "

Total Diamond Drilling done at Michel Colliery .. 1095 Feet
Total Diamond Drilling done at Coal Creek 2032 Feet

Both Plants, total depth of Drilling 3127 Feet

The above Drilling was done for the double purpose of informing the Company of the structural areas of the different Coal beds contained in the mine areas they are working, and for the purpose of giving them more complete information on the best means of conducting more expedient future mine development work.

Each Shareholder here with myself will, I am sure, feel the disappointment that naturally arises from the recurring mine labor troubles of this district. The present strike has been going on since the First of April of this year, at which time the agreement which was made with the United Mine Workers of America in 1919 for a two-year period, expired. The theory of the present strike may be regarded as being different in character to the preceeding strikes that have taken place at the Coal Mines in this District, in this way. Nearly all the past strikes have been made for the purpose of either forcing the Operators to pay higher wages or to force them to agree to granting more favorable working conditions and shorter working hours. While the Union before the present strike took place declared their intentions of forcing shorter working hours, or a change in working time from 8 to 6 hours per day with the 8-hour wage remaining on the shorter working day, with corresponding increases to Contract prices that would enable men working on Contract work to earn as much by working six hours as they have been earning by working eight hours per shift, I do not for a moment believe that the men were sincere when they made these unsupportable claims. However, a new situation has arisen through the exigencies of the late war stimulating coal mine wages to a higher level than can possibly be maintained while the country is suffering, and striving to restore all forms of co-dependent, basic industries and transportation systems back to that grade of excellent competitive stability that the various industries are able to co-operate in, and regain that share of the markets that are necessary for them to have for their sustenance. It is now simply up to both the workers in the Mines and Mine Operators to realize that the time has returned for both parties concerned to readjust themselves to the acceptance of what is their right and equity in the general economic returns that come from the applied efforts of their own and other co-dependent industries.

In connection with this question the Minister of Labor's department has shown considerable concern. The Minister through both direct correspondence and through the agency

of Deputy Ministers has striven to get both sides of the controversy to look at the fundamentals of the question in a reasonable light. The Miners finally through this directing influence applied to the Minister for a Board of Conciliation, which request was met by the Minister and acquiesced in by the Operators, the Minister appointing a capable Chairman to direct the Board. The Board has held several sessions in the different sections of the district, and from witnesses in such districts gathered the class of information that the Board considers relevant to the inquiry. After several weeks of this form of investigation, the Chairman of the Board advised both sides of the dispute to try and get together again on some form of understanding that might prove to be reasonably satisfactory to all parties concerned. The Miners and Operators met again with the Chairman of the Board when they again failed to reconcile their different points of view in regard to the fuller claims of the industry. The Joint Meetings were then adjourned to give the Conciliation Board time to digest the various statements presented, on the understanding that the Board would convene again on the 8th day of this month, when it is expected that some form of recommendations will be presented by the Board. .

The diverging points of view as they became portrayed and narrowed down by the Miners' representatives and the Operators appeared in summary to be about as follows:

The Miners chiefly base their claims upon the right of men that work in and about Coal Mines to obtain a system of wages that will allow them to live and support their families in reasonable comfortable order regardless of whether or not they work at mines that can only give seasonable employment, or only work from five to eight months in the year, because of the character of the coal, some mines work only being suitable for domestic consumption.

The Operators in turn realize that they are confronted with the following basic problems:—

Limited markets surrounded with intense competition, which competition largely arises from non-union mines where wages have been very much less than the wages paid by the Operators conducting production in the fields worked by Union Miners.

The Operators have also to give some regard to the claims of other co-dependent industries, whose employees in their anxiety to help stabilize the form of production that affords them their living have agreed to accept the reduced wages that will aid in restoring the economic returns to the industry that their wages can only enure from. Such co-dependent workers and industries believe that no branch of co-dependent industry have just claims upon wages that are higher, or out of proportion with the general economic returns of co-revelent industrial effort.

I beg to move the adoption of the Report.

Mr. MacNeill seconded the motion.

An opportunity was then given for discussion, after which the motion to adopt the Report was put to the meeting, and carried unanimously.

It was moved by Mr. Maher, seconded by Dr. Howland, that all actions of the Board of Directors and Officers of the Company during the past year, be and the same are hereby approved. (Carried)

It was moved by Mr. Maher, seconded by Mr. MacNeill, that the firm of Messrs. Welch, Campbell & Lawless, Chartered Accountants, of Toronto, be appointed Auditors of the Company for the ensuing year. (Carried)

It was moved by Mr. Gilman, seconded by Dr. Howland, that the Shareholders wish to put on record their great appreciation of the successful management of the affairs of this Company by Mr. W. R. Wilson during his term of office, and particularly during a period of great business depression.

They also wish to extend their thanks for the loyal support given to Mr. Wilson by the other Officers of the Company. (Carried Unanimously)

It was moved by Mr. MacNeill, seconded by Mr. Maher, that Mr. Klauer and Miss Kelley be appointed Scrutineers for the election of Directors. (Carried)

It was moved by Mr. Maher, seconded by Mr. Edgar, that the following gentlemen be nominated as Directors of the Company for the ensuing year: Mr. W. R. Wilson, Mr. H. B. McGiverin, Mr. W. H. Robinson, Mr. Ellis P. Earle, Dr. G. W. Howland, Mr. A. H. MacNeill, Mr. James T. Maher, Mr. James F. Edgar, and Mr. L. C. Gilman.

It was moved by Mr. MacNeill, seconded by Mr. Klauer, that the Chairman cast one ballot on behalf of the Shareholders and in favor of the gentlemen nominated as Directors of the Company for the ensuing year. (Carried)

The Scrutineers reported the gentlemen nominated as having been duly elected Directors of the Company for the ensuing year.

The meeting then adjourned.

At a subsequent meeting of the Directors, the following Officers were elected:—

President and General Manager....	Mr. W. R. Wilson.
First Vice President.....	Mr. H. B. McGiverin.
Second Vice President.....	Mr. W. H. Robinson.
Treasurer.....	Mr. A. A. Klauer.
Comptroller.....	Mr. Geo. H. Hess, Jr.
Secretary.....	Mr. J. S. Irvine.
Assistant Secretary.....	Miss L. M. Kelley.



